


BILL OF SALE, INVENTORY, WIP AND ASSUMPTION AGREEMENT

For good and valuable consideration, the receipt of which is hereby acknowledged, APPLERA CORPORATION ("Applera" or "Seller"), a Delaware corporation, does hereby sell, transfer, and convey to DELPHI MEDICAL SYSTEMS TEXAS CORPORATION ("Delphi" or "Buyer"), a Delaware Corporation, the machinery and equipment listed or referenced on Exhibit A hereto (collectively, the "Equipment"). Upon payment or issuance of a credit under this Agreement for (i) certain inventory on hand at the end of the day of this document which is listed or referenced in Exhibit A-1 (the "Inventory") and (ii) the parts, components and other materials constituting work in process (generally known as "WIP") located at the Houston Operations as of the date of this document (herein called the "WIP"), all of which is owned by Seller and located on and used or employed in connection with the operation of that certain real property located at 13215 North Pomenade Boulevard, Stafford, Texas 77477 and the manufacture of Applera instruments and other products ("the "Houston Operations"), Seller shall and shall be deemed to have sold transferred and conveyed to Buyer the Inventory or WIP paid for or for which a credit was issued. As used herein, the term "Assets" means the Equipment, the Inventory and the WIP. Until payment or issuance of a credit for such Inventory or WIP, Seller shall retain all right, title and interest in and to such Inventory and WIP, which shall be held buy Buyer for use in manufacturing Products as set forth in this Agreement and the Contract Manufacturing Agreement between Seller and Buyer of even date herewith (the "Manufacturing Agreement").

Buyer shall store and maintain all such Inventory and WIP, shall insure same against damage and loss, and shall be responsible and liable for any damage to or loss of such Inventory and WIP.

The purchase price for the Equipment is \$250,000, which shall be paid by Buyer to Seller concurrently with the execution and delivery of this Agreement and the receipt of which is hereby acknowledged..

The value and purchase price of the Inventory is Seller's cost as set forth on its books and records, and shall be determined by Seller as promptly as feasible after the Start of Production (as defined in Manufacturing Agreement). As soon as feasible after the Start of Production, Seller shall notify Buyer in writing of the value and purchase price of the Inventory. The purchase price of the Inventory scheduled by Seller to be consumed in manufacturing Products to meet the initial Firm Order Commitment (as defined in the Manufacturing Agreement), herein called the "Initial Inventory, shall be invoiced by Seller to Buyer and shall be paid by Buyer within thirty (30) from invoice date. On or about the first day of each week commencing with the first Monday after the date of this Agreement, Delphi shall identify to Buyer Inventory in addition to the Initial Inventory that it has removed from storage the previous week to be consumed or used in the manufacture of Products, and Seller's book value of such inventory. At Seller's option in each case, Seller may take an immediate credit for the value and purchase price of such Inventory to be applied at Seller's discretion to the purchase of Products, or Seller may invoice Buyer for such inventory on a weekly or monthly basis, and Buyer shall pay any such invoice within thirty (30) days from invoice date. Seller shall notify Buyer in writing whether it wishes to take a credit for the price of such Inventory, or to deliver an invoice.



The value and purchase price for the WIP shall be paid by the issuance by Delphi of a credit in such amount against purchases of Products, as more fully set forth in Section 3.2 of Exhibit 1 of the Manufacturing Agreement.

Delphi will pay or reimburse Seller for any inventory to be used for the manufacture of Products that is not on hand at the beginning of the day of the date of this Agreement but that is delivered to the Houston Facility, until ordering is transferred to Delphi under the Transition Agreement between the Parties of even date herewith. Seller may invoice Delphi for such items after they are delivered, and Delphi will pay any such invoice within thirty (30) days from invoice date.

Notwithstanding anything contained in this Agreement or the Manufacturing Agreement to the contrary, if Seller did not breach its obligations under the Manufacturing Agreement prior to December 31, 2005, or, if it did, it has not cured such breach by December 31, 2005, Seller may invoice Delphi for any credit balance for Inventory or WIP remaining after December 31, 2005 that was consumed or used for the manufacture of Products, and Delphi shall pay such invoice within thirty (30) days from invoice date. If any Inventory or WIP is not consumed or used for the manufacture of Products by December 31, 2005, if prior to June 30, 2006 Seller has not breached the Manufacturing Agreement or, if it did, has not cured such breach by June 30, 2005, Seller may invoice Delphi for any credit balance for any such Inventory or WIP remaining after June 30, 2006 that was consumed or used for the manufacture of Products, and Delphi shall pay such invoice within thirty (30) days from invoice date. If any Inventory or WIP is not consumed or used for the manufacture of Products by June 30, 2006, Delphi shall deliver such Inventory or WIP to Seller any time after June 30, 2006 that Seller may designate, except to the extent the Parties otherwise agree in writing.

EXCEPT AS EXPRESSLY SET FORTH HEREIN OR THE MANUFACTURING AGREEMENT, BUYER ACKNOWLEDGES THAT SELLER IS SELLING AND BUYER IS PURCHASING THE ASSETS ON AN "AS IS, WHERE IS, WITH ALL FAULTS" BASIS; PROVIDED HOWEVER THE INVENTORY AND WIP WILL BE IN USEABLE CONDITION. EXCEPT AS EXPRESSLY SET FORTH HEREIN OR THE MANUFACTURING AGREEMENT, BUYER IS NOT RELYING ON ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, FROM SELLER, ITS AGENTS, OR BROKERS AS TO ANY MATTERS CONCERNING SUCH PERSONAL PROPERTY, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES AS TO TITLE OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, WHICH ARE EXPRESSLY DISCLAIMED.

Attached hereto as Exhibit B is a list of supplier contracts used by the Houston Operations. Delphi shall assume the obligations of Applera under such contracts to the extent such suppliers provide goods or services to the Houston Operations. Delphi shall assume Applera's obligations under any other contracts related to the Houston Operations, including utility or service contracts. Delphi shall defend, indemnify and hold harmless Applera from all liability, claims, damages, loss, and expenses arising from such contracts or their performance to the extent the obligations in such contracts relate to the Houston Operations on or after the date hereof, or arising from the Houston Operations or the operation of the Houston Facility (as such term is defined in the Manufacturing Agreement) on or after the date hereof. Applera shall defend, indemnify and hold harmless Delphi from all liability, claims, damages, loss, and expenses arising from such contracts or their performance to the extent the obligations in such contracts relate to the Houston Operations prior to the date hereof, or to the extent arising from the Houston Operations or the operation of the Houston Facility at any time prior to the

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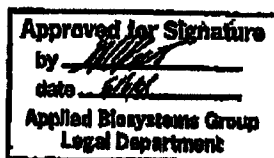
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PAGE 03

date hereof that Applera leased and operated the Houston Facility. Applera shall assign to Delphi all such contracts that relate to the purchase of parts and supplies for the Houston Operations only that Applera has a right to assign, or for which it can obtain the other party's consent without cost. To the extent that Applera does not have the right and authority to assign any such contracts without cost or if a contract covers parts or other items used for the manufacture of Products and the manufacture of other products manufactured or to be manufactured by Applera at locations other than the Houston Operations, Applera shall have no obligation to assign any such contract. In any such event, the Parties will cooperate with each other to seek to obtain the consent of the third party to the assignment of such contracts to Buyer if the contract covers the purchase of parts or other items only for the Houston Operation, or to seek to obtain new contracts or modifications of such contracts in a manner that preserves pricing (including entering into a new contract with each of Delphi and Seller under which the combined purchases of Delphi and Seller would count toward volumes for pricing purposes), and otherwise permit Buyer to obtain the benefit of such contracts and relieve Seller of the burdens thereof insofar as such benefits and burdens relate to the Houston Facility. Seller will take such actions as may be necessary to assure that parts and other items are available, and that pricing in effect as of the date of this Agreement is maintained, under all the contracts listed on Exhibit B through at least August 31, 2005, provided that Buyer reasonably cooperates with Seller in Seller's efforts to accomplish the foregoing.

This Bill of Sale, Inventory, WIP and Assumption Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which taken together shall constitute one and the same instrument.

Dated this sixth (6th) day of June, 2005.



SELLER:

APPLERA CORPORATION,
a Delaware corporation

By:

Its:

Catherine M. Burzile
Catherine M. Burzile
President Applied Biosystems Group

BUYER:

DELPHI MEDICAL SYSTEMS TEXAS
CORPORATION

By:

Its:

[Signature]
Nancy J. Director

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EXHIBIT A

Machinery and Equipment

Capital Asset Listing for Houston Facility

Asset num	SNo.	Class	Tag num	Description
11010030	0	EQUIP	13771	Oscilloscope w/Ethernet Module & Hi-Voltage Probe
11010036	0	EQUIP	13777	COMPAQ DL380 SERVER W/STORAGE CABINES & SWITCH MOD
11012303	0	EQUIP	10010	COMPAQ PHOTON DL360 SERVER
11012304	0	EQUIP	10011	COMPAQ PHOTON DL360 SERVER
11016251	0	EQUIP	14427	OGP Optical Comparator
11009914	0	EQUIP	IT NL 03	PROLIANT SERVER 5500R W/ APPNROX 36GIGS OF STORAGE
11012498	0	EQUIP		COMPAQ ML370 SERVER
11015198	0	EQUIP		Infocus Projector - LP130
11012234	0	FURN		HOUSTON IOP EXPANTION
11011023	0	FURN	00-39	SHELVING (HOUS
11013713	0	LHI		HOUSTON IOP EXPANTION
11011095	0	LHI		HOUSTON INSTRUMENT MFG FACILITY
11015607	0	LHI		SECURITY CAMERAS AND DIGITAL VIDEO RECORDER
11016143	0	PROD	14085	Data Ray Beam R Laser Profiler
11010891	0	PROD	990008	WELDING MACHINE
11010929	0	PROD	990048	FOWLER 24 TRIM
11010972	0	PROD	990079	DEAD WEIGHT TE
11011363	0	PROD	13773	OPTICAL VIDEO PROBE SYSTEM W/ CAMERA AND MONITOR
11011933	0	PROD	13774	COORDINATE MEASURING MACHINE
11012101	0	PROD	13761	T*PCA TEST FIXTURE
11012206	0	PROD	13743	BIOCAD TSS-100 PUMP TEST STATION
11012520	0	PROD		ZEBRA 96III BARCODE PRINTER
11012533	0	PROD	13764	APC 1400 UPS BTTERY BACKUP POWER SUPPLY
11012535	0	PROD	13762	SYMBIOT SAMPLE PREP STATION GEN 603163, 603166
11012536	0	PROD	13763	TOOL AND TOLL BOX VOLTMETER 4 DECIMAL ACC.
11012576	0	PROD	13766	PCI-6534,HIGH SPEED DIGITAL MODULE TEST INSTRUMENT
11013521	0	PROD	13767	15MT-110 INTERMEDIATE DUTY WALKIE STACKER
11016141	0	PROD	13924	CD Duplicator
11016142	0	PROD	13925	CD Printer
11016530	0	PROD	14426	Mitutoyo LH-600B Linear Height Measurement System
11012577	0	PROD	13765	PCI-6534,HIGH SPEED DIGITAL MODULE TEST INSTRUMENT
11011640	0	PROD		INSTAPAK MODEL 900PACKAGING SYSTEM
11017296	0	TOOL		Functional Test Fixtures for PCA's / FMAT 8200

\$250,000 for the existing assets as described above

54

EXHIBIT A-1 to Bill of Sale
Delphi

06/01/05

	Next 12 months	Startup Inventory Costs for Delphi Medical Systems Per Quarter
Spares Forecast	\$8,271,850	\$2,067,962
Software Forecast	\$1,200,000	\$300,000

3 Month Startup Inventory Costs

Instruments	Topfill Part Number	Material Cost / Unit	Q1	Q2	Q3	Q4	Total
4700 (TOF/TOF)	4330005	\$122,105	0	0	3	3	\$366,315
Voyager DE PRO	V888630	\$52,209	0	0	2	2	\$104,418
Voyager DE STR	V888580	\$67,558	0	0	2	2	\$135,116
Procise 49X System	491-01	\$32,370	2	2	2	6	\$194,220
Procise 49X cLC System	49xCLC-01	\$33,975	0	0	1	1	\$33,975
433	433A-01-120	\$16,710	2	3	4	9	\$150,390
310	310-00-200/240-W	\$17,665	12	11	11	34	\$600,610
3400	4334667	\$15,900	4	4	4	12	\$190,800
8200	4342920	\$39,178	0	0	2	2	\$78,356
3900	4318174		0	0	4	4	\$0
Totals							

\$1,854,200 Total price for raw materials for Instruments only for the 1st quarter.

\$1,861,166 Total price for raw materials for spares only for the 1st quarter.

\$270,000 Total price for raw materials for software only for the 1st quarter.

\$3,985,366 Total for raw material for starting inventory

The machinery, equipment, inventory and WIP being transferred and assigned to Delphi under this Bill of Sale, Inventory, WIP and Assumption Agreement is all machinery, equipment and personal property physically located at the Houston Facility on June 6, 2005, except machinery, equipment, inventory and WIP used for the manufacture of or intended for use in manufacturing Seller's 4800 MALDSI TOF/TOF™ Analyzer, equipment and other tangible personal property (including without limitation computers, but excluding cubicle walls and structures) used principally by Bill Gibbs, MDS Sciex employees and the two employees of Seller who will be transferring to other facilities and the two individuals who will remain employees of Seller but will remain at the Houston Facility.

Exhibit B

Supplier Contracts

Primary Site	Ops	Supplier	Type	Status	Term Begin	Term End
Houston	IOP	Able Elect. now Sigma Tron Int'l, Inc.	Global PAC Agreement	Effective	1/15/2005	1/14/2006
Houston	IOP	Acqiris SA	Global PAC Agreement	Effective	2/1/2004	1/30/2006
Houston	IOP	Ajax Custom Plastics	Global PAC Agreement	Effective	12/4/2003	12/4/2005
Houston	IOP	Armorlink Corporation	Global JIT/PAC Agreement	Effective	1/5/2003	4/29/2005
Houston	IOP	Arrow Manufacturing	JIT-PAC Agreement	Effective	4/1/2003	6/30/2005
Houston	IOP	Bay Advanced Technologies	Global PAC Agreement	Effective	1/3/2005	7/1/2006
Houston	IOP	Bay Seal Co.	PAC Agreement	Effective	6/1/2003	9/15/2005
Houston	IOP	Cable Technologies, Inc. (CTI)	Global JIT/PAC Agreement	Effective	2/20/2004	9/1/2005
Houston	IOP	Caliper Life Sciences(Zymark)	Global JIT Agreement	Effective	2/3/2005	2/2/2006
Houston	IOP	CDS Engineering	Global PAC Agreement	Effective	3/15/2004	6/30/2005
Houston	IOP	Eastern Plastics	PAC Agreement	Effective	1/1/2005	12/31/2006
Houston	IOP	GW Lisk	Global PAC Agreement	Effective	1/1/2005	6/30/2006
Houston	IOP	H. Galow	Global PAC Agreement	Effective	1/1/2004	6/30/2005
Houston	IOP	H. Galow	Consignment Agreement	Effective	4/19/2001	6/30/2005
Houston	IOP	HMC Inst. & Machine Work	Global JIT/PAC Agreement	Effective	1/1/2003	6/30/2005
Houston	IOP	ILM Tooling	Global JIT/PAC Agreement	Effective	11/11/2002	11/10/2005
Houston	IOP	Insaco	Global JIT Renewal	Effective	10/1/2004	10/1/2005
Houston	IOP	JDS Uniphase	Global PAC Agreement	Effective	1/10/2005	1/9/2007
Houston	IOP	JY Horiba	PAC Agreement	Effective	5/15/2004	5/31/2005
Houston	IOP	Kloehn	Global PAC Agreement	Effective	3/1/2005	9/1/2006
Houston	IOP	Laser-Export Company, Ltd	JIT Agreement	Effective	7/1/2003	6/30/2006
Houston	IOP	NJ International, Inc.	Global PAC Agreement	Effective	2/1/2005	1/31/2006
Houston	IOP	Parker-Hannifin/General Valve	Global PAC Agreement	Effective	3/1/2004	6/1/2005
Houston	IOP	PerkinElmer (EG&G) Optoelectronics	Global PAC Agreement	Effective	4/1/2005	3/31/2006
Houston	IOP	Pfeiffer Vacuum	Global PAC Agreement	Effective	3/14/2004	6/14/2005
Houston	IOP	Primatics	Global PAC Agreement	Effective	7/1/2004	6/30/2005
Houston	IOP	RJ Lobaugh	Global JIT/PAC Agreement	Effective	1/1/2005	12/31/2005
Houston	IOP	Shepherd Controls and Associates	Global JIT/PAC Agreement	Effective	4/7/2003	7/7/2005
Houston	IOP	Spellman	Global PAC Agreement	Effective	1/1/2005	6/30/2006
Houston	IOP	Tristar Electronics	Global PAC Agreement	Effective	3/1/2004	9/1/2005
Houston	IOP	Varian	JIT-PAC Agreement	Effective	1/1/2002	12/31/2005
Houston	IOP	Wilson Co.	Global JIT/PAC Agreement	Effective	11/1/2003	6/30/2005